

Serial Register Page

OCS-G23883

Current Status PROD

Central Gulf of Mexico

Sale# 182

Sale Date MAR 20, 2002

25-JAN-2013 ✓ Record title interest is now held as follows, effective 12/31/2010:

HE&D Offshore, L.P.	10.00000 %
Helis Oil & Gas Company, L.L.C.	27.00000 %
Houston Energy, L.P.	2.70000 %
CL&F Resources LP	13.50000 %
Red Willow Offshore, LLC	22.50000 %
KNIGHT RESOURCES, INC.	4.50000 %
Ridgewood Energy R Fund, LLC	19.80000 %

25-JAN-2013 CL&F Resources LP designates Chevron U.S.A. Inc. as operator.
 ALL OF BLOCK 351, Eugene Island Area, South Addition from 12500 TVD down to 99999' TVD.

25-JAN-2013 HE&D Offshore, L.P. designates Chevron U.S.A. Inc. as operator.
 ALL OF BLOCK 351, Eugene Island Area, South Addition from 12500 TVD down to 99999' TVD.

25-JAN-2013 Helis Oil & Gas Company, L.L.C. designates Chevron U.S.A. Inc. as operator.
 ALL OF BLOCK 351, Eugene Island Area, South Addition from 12500 TVD down to 99999' TVD.

25-JAN-2013 Houston Energy, L.P. designates Chevron U.S.A. Inc. as operator.
 ALL OF BLOCK 351, Eugene Island Area, South Addition from 12500 TVD down to 99999' TVD.

25-JAN-2013 KNIGHT RESOURCES, INC. designates Chevron U.S.A. Inc. as operator.
 ALL OF BLOCK 351, Eugene Island Area, South Addition from 12500 TVD down to 99999' TVD.

25-JAN-2013 KNIGHT RESOURCES, INC. designates Helis Oil & Gas Company, L.L.C. as operator.
 ALL OF BLOCK 351, Eugene Island Area, South Addition from surface to 12500' TVD.

25-JAN-2013 Red Willow Offshore, LLC designates Chevron U.S.A. Inc. as operator.
 ALL OF BLOCK 351, Eugene Island Area, South Addition from 12500 TVD down to 99999' TVD.

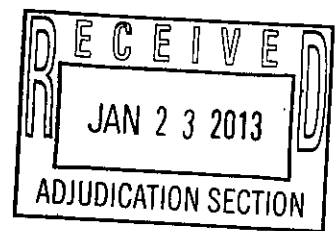
25-JAN-2013 Ridgewood Energy R Fund, LLC designates Chevron U.S.A. Inc. as operator.
 ALL OF BLOCK 351, Eugene Island Area, South Addition from 12500 TVD down to 99999' TVD.

OCS- G23883

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UNCLASSIFIED

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January 21, 2013

Bureau of Ocean Energy Management, U.S. Department of Interior
Gulf of Mexico OCS Region
1201 Elmwood Park Blvd.
New Orleans, LA 70123-2394
Attn: Ms. Margaret Mertz, Adjudication

Re: All of Block 351, Eugene Island Area, South Addition, OCS-G 23883
Assignment of Record Title Interest

Dear Ladies and Gentlemen:

As you know, you are holding two (2) original Assignments of Record Title Interest (MMS-Form 150) in which Challenger Minerals Inc. (GOM No. 0403) is assigning its 4.50000% record title interest to KNIGHT RESOURCES, INC. (GOM No. 2740) in Block 351, Eugene Island Area, South Addition, OCS-G 23883.

You requested that I send you designations of operator forms for the deeper rights from all the record title and operating rights owners. Accordingly, in support of the above referenced Assignment, I enclose two (2) originals of a duly signed Designation of Operator (Form BOEM-1123) designating Chevron U.S.A. Inc. (GOM #78) Operator of the Block from 12,500' TVD down to 99,999' TVD from each of the following companies:

1. Chevron U.S.A. Inc. (GOM #78)
2. Red Willow Offshore, LLC (GOM #2668)
3. Ridgewood Energy R Fund, LLC (GOM #2930)
4. CL&F Resources LP (GOM #2574)
5. Helis Oil & Gas Company, L.L.C. (GOM #1978)
6. Houston Energy, L.P. (GOM #1999)
7. HE&D Offshore, L.P. (GOM #1699)
8. Challenger Minerals Inc. (GOM #403)
9. KNIGHT RESOURCES, INC. (GOM #2740)

I have further enclosed for this Assignment, the following:

1. Two (2) originals of a Designation of Operator (Form BOEM-1123) whereby KNIGHT RESOURCES, INC. (GOM #2740) designates Helis Oil & Gas Company, L.L.C. (GOM #1978) Operator of the Block from the Surface down to 12,500' TVD; and
2. Pay.gov online payment confirmation of the \$186.00 filing fee.

The Oil Spill Financial Responsibility Form – BOEM – 1017 – in which KNIGHT RESOURCES, INC. designated Helis Oil & Gas Company, L.L.C. as the Designated Applicant for the block was previously sent to BOEM in our earlier filing.

Knight Resources, LLC
24 Waterway Ave, Suite 1460, The Woodlands, TX 77380-3195
tel) 281-882-8566 fax) 281-882-8560

If you have any questions, please feel free to contact me at (281) 882-8451. Thank you.

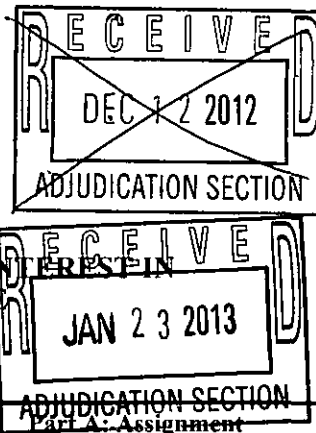
Yours truly,

James A. Bibby

Director of Land

U.S. Department of the Interior
Bureau of Ocean Energy Management

ASSIGNMENT OF RECORD TITLE INTEREST IN
FEDERAL OCS OIL AND GAS LEASE



OMB Control Number: 1010-0006
OMB Approval Expires: March 31, 2014

OCS-G 23883

Lease No.
May 1, 2002

Lease Effective Date

New Lease No. (BOEM Use Only)

Legal description of the OCS oil and gas lease or the officially designated subdivision of the lease being assigned: All of Block 351, Eugene Island Area, South Addition

Assignor(s) does (do) hereby sell, assign, transfer, and convey unto Assignee(s) the following undivided right, title and interest (insert name and qualification number of each Assignor and Assignee below):

Assignor(s):

Challenger Minerals Inc. (403)

Percentage Interest Conveyed

4.50000%

Assignee(s):

KNIGHT RESOURCES, INC. (2740)

Percentage Interest Received

4.50000%

The approval of this assignment is restricted to record title interest only.

☒ Exhibit "A," which sets forth other provisions between Assignor(s) and Assignee(s), is attached to and made a part of this assignment.

For BOEM use only

This Assignment of Record Title Interest has been filed as of the date stamped on this document and is hereby approved by the Bureau of Ocean Energy Management on the date shown below.

By Susan B. Hooper Supervisor, Adjudication Section
Authorized Official for BOEM Title

JAN 25 2013 ^{mm}
BOEM Approval Date

Paperwork Reduction Act of 1995 (PRA) Statement: The PRA (44 U.S.C. 3501 et seq.) requires us to inform you that we collect this information to use in the adjudication process involved in leasing and lease operations. BOEM uses the information to track ownership of leases in the Federal OCS. Responses are required to obtain or retain a benefit. Proprietary data are covered under section 26 of the OCSLA, 30 CFR 556.10, and in accordance with regulations in 30 CFR parts 550, 551, and 552. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden of this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Comments on the burden estimate or any other aspect of this form should be directed to the Information Collection Clearance Office, Bureau of Ocean Energy Management, 381 Elden Street, Herndon, VA 20170.

Part B: Certification and Acceptance

1. Each Assignor certifies it is the owner of the record title interest in the above-described lease that is hereby assigned to the Assignee(s) specified above.
2. **DEBARMENT COMPLIANCE:** Each Assignor and Assignee certifies its compliance with the Department of the Interior's nonprocurement debarment and suspension regulations at 2 CFR Subtitle B, Part 1400, and agree to communicate the requirement to comply with these regulations to persons with whom it does business related to this record title interest assignment by including the terms of the regulations in its contracts and transactions.
3. **EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMPLIANCE CERTIFICATION:** Each Assignor and Assignee certifies that it is in full compliance with Equal Opportunity Executive Order 11246, as amended, and the implementing regulations at 41 CFR 60-01 – Obligations of Contractors and Subcontractors; and 41 CFR 60-2 – Affirmative Action Programs.
4. **QUALIFICATIONS of ASSIGNOR(S) and ASSIGNEE(S):** Each Assignor and Assignee certifies that it: is established and officially recognized by the Bureau of Ocean Energy Management as qualified and authorized to bid on, acquire interests in, and hold OCS oil and gas leases; is exercising and meeting due diligence requirements on any other OCS lease in accordance with section 8 of the OCSLA, as amended (43 U.S.C. 1337(d)); is in good standing with acceptable operating performance as required by 30 CFR §§ 550 and 556; is not disqualified by BOEM from acquiring any new OCS leases or assigned interest(s) in existing leases because of unacceptable operating performance on any other OCS lease; is not failing to meet or exercise due diligence (as determined by BOEM after notice and opportunity for a hearing under 30 CFR part 590, subpart A); and is not restricted from bidding or acquiring interests in the lease or officially designated subdivision, therein, or grouped with any other entities on the restricted joint bidders list.
5. Assignee's execution of this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain bond(s) pursuant to regulations at 30 CFR §§ 550 and 556. This assignment is subject to the Outer Continental Shelf Lands Act of August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 et seq., as amended (the "Act"), and Assignee(s) is (are) subject to, and shall fully comply with, all applicable regulations now or to be issued under the Act. Notwithstanding any agreement between the Assignor(s) and Assignee(s), the parties' liability to the Bureau of Ocean Energy Management is governed by 30 CFR §§ 550 through 556.

This Assignment of Record Title Interest will be made effective between the parties hereto as of December 31, 2010, upon approval by the Bureau of Ocean Energy Management, United States Department of the Interior.

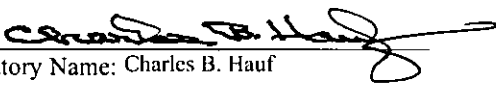
This instrument may be executed in any number of counterparts, each of which will be deemed an original instrument, but all of which together shall constitute but one and the same instrument provided, however, this instrument and any other counterpart hereof, will not be binding unless and until executed by all of the parties, and will not be accepted by the Bureau of Ocean Energy Management unless all counterparts are filed simultaneously.

By signing this document, you certify that your statements made herein are true, complete and correct to the best of your knowledge and belief and are made in good faith.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Assignor Name: Challenger Minerals Inc.
Assignor Qualification No. 403

Assignor Name:
Assignor Qualification No.

By: 
Signatory Name: Charles B. Hauf
Signatory Title: President

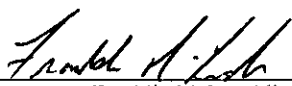
By: _____
Signatory Name: _____
Signatory Title: _____

December 7, 2012
Execution Date

Execution Date

Assignee Name: KNIGHT RESOURCES, INC.
Assignee Qualification No. 2740

Assignee Name:
Assignee Qualification No.

By: 
Signatory Name: Franklin McLaughlin
Signatory Title: General Manager

By: _____
Signatory Name: _____
Signatory Title: _____

December 7, 2012
Execution Date

Execution Date

EXHIBIT "A"

Attached to and made a part of that certain
Assignment of Record Title Interest in Federal OCS Oil and Gas Lease
Dated effective December 31, 2010
by and between
Challenger Minerals Inc., as Assignor, and
KNIGHT RESOURCES, INC., as Assignee

This Assignment of Record Title Interest in Federal OCS Oil and Gas Lease ("**Assignment**") is expressly made subject to all of the terms and provisions of (i) that certain Purchase and Sale Agreement dated February 23, 2012, by and between Challenger Minerals Inc. ("**CMI**"), as Seller and Knight Resources, LLC ("**KNIGHT**"), as Buyer (the "**Agreement**"), and (ii) that certain Assignment and Bill of Sale dated April 27, 2012, but effective from and after 11:59 p.m., December 31, 2010, executed by and between CMI, as Assignor, and KNIGHT, as Assignee, relating to the interest affected by this Assignment, among other rights and interests (the "**Assignment and Bill of Sale**"). **The Assignment and Bill of Sale has been filed of record in the non-required filing records maintained by the Bureau of Ocean Energy Management, U.S. Department of Interior, with respect to the Federal Offshore Lease identified in the instrument to which this Exhibit "A" is attached and in certain courthouse records of certain Louisiana parishes and Texas counties adjacent to the assets described in the Assignment and Bill of Sale. All of the terms and provisions of the Agreement and the Assignment and Bill of Sale are incorporated into this Assignment by reference and made a part thereto; provided, however, this Assignment is not intended to convey any additional interest in and to the Federal Offshore Lease described herein than that intended to be conveyed in the Assignment and Bill of Sale. In the event of a conflict between the terms and provisions of this Assignment and those set forth in the Agreement, the terms and the provisions set forth in the Agreement shall control.**